

NAVITAS KY NG, LLC

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PUBLIC SERVICE
COMMISSION

July 3, 2019

VIA U.S. MAIL

Gwen Pinson
Executive Director
Kentucky Public Service Commission
211 Sower Blvd
Frankfort, KY 40601

RE: Navitas KY NG, LLC – Application for CPCN and to Obtain Franchise from Clinton County, Kentucky

Dear Ms. Pinson,

Enclosed for filing please find original and ten copies of Application of Navitas KY NG, LLC for a Certificate of Convenience and Necessity to Obtain Franchise from the County of Clinton, Kentucky. Please confirm this filing and provide any notices to **Vanessa Novak**, Navitas Utility Corporation, 3186-D Airway Avenue, Costa Mesa, CA 92626 with the case number. Thank you very much for your assistance with this matter.

Yours truly,



Klint W. Alexander
1767 Nottage Ct
Laramie, WY 82072
(615) 594-4377
Klint.alexander10@gmail.com

cc: Thomas Hartline
President, Navitas KY NG, LLC
thartline@navitasutility.com

JUL 08 2019

PUBLIC SERVICE
COMMISSION

**COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION**

**APPLICATION OF NAVITAS KY NG, LLC)
FOR A CERTIFICATE OF CONVENIENCE AND) CASE NO. 2019- 00240
NECESSITY TO OBTAIN A FRANCHISE)
FROM THE COUNTY OF CLINTON, KENTUCKY)**

APPLICATION

COMES NOW, Applicant Navitas KY NG, LLC (“Navitas”), by and through counsel, and hereby requests an order by the Public Service Commission (the “Commission”) approving a Certificate of Convenience and Necessity to obtain a franchise from the County of Clinton, Kentucky pursuant to KRS 278.020(1) & (5) and 807 KAR Chapter 5.

In support of this Application, Navitas would show unto the Commission as follows:

1. Navitas KY NG, LLC (hereinafter referred to as "Navitas") is a Kentucky limited liability company with its principal place of business located at 3186-D Airway Avenue, Costa Mesa, California 92626. A certified copy of the Articles of Organization and Navitas' corporate structure were submitted with the Company's first Joint Application with Gasco Distribution Systems, Inc. for Approval of an Acquisition of Ownership and Control of Gas Utility Systems in 2010 (Case No. 2010-00468). Navitas is in the business of distributing and selling natural gas to residential, agricultural and industrial customers in Albany, Clinton County, Kentucky. At present, Navitas has approximately 154 customers in Kentucky. Its utility operations and its rates, services, practices and charges in connection therewith are subject to general regulation by the Commission.

2. The Commission has jurisdiction over this matter pursuant to KRS 278.020 *et seq.*, 807 KAR 5:001.

3. In February 2011, the Commission entered an Order approving the transfer of control and authority of Gasco Distribution Systems, Inc.'s gas utility system to Navitas, including franchise agreements and the authority to provide utility services deriving from its Certificate of Public Convenience and Necessity, in Clinton County, Kentucky. The franchise agreement with the County of Clinton expired in 2016 after 20 years.

4. This request derives from the expiration of the previous franchise agreement with the County of Clinton, Kentucky in 2016 and the desire by Navitas and the County of Clinton for a new Franchise Agreement, executed June 21, 2019. A true and exact copy of the executed Franchise Agreement is affixed hereto as **Exhibit A**. Prior to the filing of this Application, Navitas met with county officials to discuss the expiration of the previous franchise agreement and the need for a new franchise.

5. On or about May 31, 2019, the County of Clinton Fiscal Court voted “to accept sealed bids for the establishment of one or more non-exclusive (natural gas) franchises” for the natural gas system franchise during a special meeting of the court with all members present. A copy of the Clinton County News notice and release posted June 5, 2019 is attached hereto as **Exhibit B**. The County subsequently advertised for bids on the franchise, and Navitas submitted the only bid by the deadline.

6. On or about June 20, 2019, the County of Clinton Fiscal Court voted to approve Navitas’ bid for the franchise. The Franchise Agreement was signed by both parties on June 21, 2019.

7. The proposed franchise will be for a term of twenty (20) years and will require Navitas to collect four percent (4%), a 20% reduction from the 5% rate collected during the prior franchise agreement, and remit to the County of Clinton an annual sum equal to two percent (2%)

for the term. In addition, as a further and additional franchise fee, Navitas will pay the County the sum of \$99,000.00 from the continuous month-to-month collection of the franchise tax funds since the expiration of the prior franchise agreement. Moreover, Navitas will build or cause to be built pipeline to the County industrial park as well as to invest in new pipeline construction throughout the County to secure the safe and secure delivery of gas to current and potential business and residential customers as described in Section 13 of the Franchise Agreement.

8. There is and will continue to be a demand and need for retail gas service in and to the County of Clinton and the businesses and inhabitants thereof, and Navitas, by filing this application, seeks to apply for and retain said franchise from the County of Clinton.

9. Notices and Communications regarding this Application should be sent to:

Vanessa Novak, Esq.
Navitas Utility Corporation
3186-D Airway Ave.
Costa Mesa, CA 92626
(714) 242-4064 Office
(714) 850-0876 Fax
vnovak@navitasutility.com


WHEREFORE, Navitas respectfully requests the Commission to issue an Order:

1. Approving an Order granting Navitas a Certificate of Convenience and Necessity to obtain the aforementioned franchise from the County of Clinton; and

2. Granting such other and further relief as the Commission may determine to be fair, just and equitable in the premises.

Dated this the 5th day of July, 2019.

Respectfully submitted,



Klint W. Alexander (#88343)

Vanessa Novak, Esq.

Navitas Utility Corporation

3186-D Airway Ave.

Costa Mesa, CA 92626

(714) 242-4064 Office

(714) 850-0876 Fax

Klint.alexander10@gmail.com

vnovak@navitasutility.com

VERIFICATION OF NAVITAS KY NG, LLC

STATE OF CALIFORNIA)
)
COUNTY OF ORANGE) ss.

I, Thomas Hartline, Secretary of Navitas KY NG, LLC, being duly sworn according to law, makes oath and affirm that I have read the foregoing documentation, know the contents thereof, and that the same is true to the best of my knowledge, information and belief.



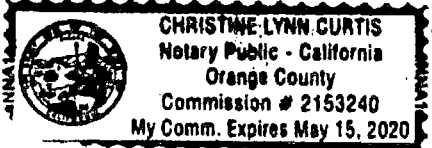
THOMAS HARTLINE

Subscribed and sworn to me on this the 2nd day of July, 2019, by Thomas Hartline, proved to me on the basis of satisfactory evidence to be the person who appeared before me.



Notary Public Signature

Notary Public Seal



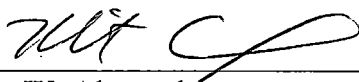
CERTIFICATE OF SERVICE

The undersigned hereby certifies that on the 3rd day of July, 2019, a true and correct copy of the foregoing instrument was deposited in the United States Mail, with postage prepaid, and addressed to the following:

Jennifer Hans, Esq.
Office of the Attorney General
Capitol Suite 118
700 Capitol Avenue
Frankfort, Kentucky 40601-3449

Jeb Penney, Esq.
Division of General Counsel
Public Service Commission
Commonwealth of Kentucky
21 1 Sower Blvd.
PO Box 6 15
Frankfort, Kentucky 40601

Richard Raff, Esq.
Division of General Counsel
Public Service Commission
Commonwealth of Kentucky
21 1 Sower Blvd.
PO Box 6 15
Frankfort, Kentucky 40601



Klint W. Alexander

CLINTON COUNTY NATURAL GAS FRANCHISE AGREEMENT

DATE: June 21, 2019

PARTIES: COUNTY OF CLINTON, KENTUCKY
a municipal corporation
c/o City Building
100 South Cross Street
Albany, Kentucky 42602

NAVITAS KY NG, LLC
P.O. Box 183
Eakly, OK 73033

RECITALS

WHEREAS, the County of Clinton (the "County") is a municipal corporation in the Commonwealth of Kentucky, and is empowered by the Commonwealth of Kentucky to grant franchises; and

WHEREAS, Navitas KY NG, LLC (the "Company") is the grantee of the rights under this franchise, a domestic limited liability company, authorized to do business within the Commonwealth of Kentucky, with a mailing address of P.O. Box 183, Eakly, OK 73033 and a Principal Office of 3186-D Airway Avenue, Costa Mesa, CA 92626, and is currently active and in good standing and registered to do business in this Commonwealth, and is authorized to enter into this Agreement; and

WHEREAS, the Company has requested the County grant a franchise to enable the Company to install, maintain, and use facilities in, through, along or under the County's rights-of-way and other real property in order to provide natural gas services to residents and business owners throughout the County and adjoining service area if otherwise authorized by the County of Clinton or Commonwealth of Kentucky where applicable; and

WHEREAS, the County and the Company recognize that the prior franchise agreement pursuant to Ordinance No. 86-008 has expired by its terms, and find that the present grant of such a franchise to the Company would be in the public interest by ensuring the availability and delivery of adequate, economical and efficient natural gas distribution services to the citizens and businesses of the County of Clinton, and by utilizing efficiently the County's public rights-of-way of; and

Ex. A

WHEREAS, subject to the terms and conditions set forth herein, the parties hereto are desirous of entering into a non-exclusive franchise agreement with renewal provisions, with the Company providing natural gas distribution services within the County of Clinton and within the service area; and

NOW, THEREFORE, in consideration of the mutual covenants, terms, and conditions set forth herein, the parties agree as follows:

SECTION 1. The CLINTON COUNTY NATURAL GAS FRANCHISE AGREEMENT shall be referred to as the "Agreement".

SECTION 2. For the purpose of this Agreement, the following terms, phrases, words, and their derivations shall have the meanings given herein. When not inconsistent with the context, words used in the present tense include the future tense, words the singular number include the plural number. The word "shall" is always mandatory and not merely directory.

1. "County" is the COUNTY OF CLINTON, KENTUCKY, a municipal corporation;
2. "Company" is NAVITAS KY NG, LLC, the grantee of the rights under this franchise, a domestic limited liability company, authorized to do business within the Commonwealth of Kentucky, with a mailing address of as set forth above, said Company meaning the person/entity to whom this Franchise is granted by the County of Clinton, and the lawful agent, successor, transferee or assignee of said person, subject to such conditions as may be prescribed by the County and other lawful authority.
3. "Person" is any person, firm, partnership, association, corporation, company or organization of any kind.
4. "Customer" shall mean a person or user of the Gas Distribution System who lawfully receives Gas Service within the service area with the Company's permission.
5. "Franchise" shall mean the authorization, or renewal thereof, the County of Clinton, whether such authorization is designated as a franchise, permit, license, resolution, contract, certificate or otherwise, authorizing the installation, construction, maintenance or operation of the Gas Distribution System for the purpose of offering Gas Services to Customers.

6. "Gas Distribution System" shall mean a connected set of distribution pipes and appurtenant equipment designed to deliver and distribute Gas Services to Customers within the County of Clinton and adjoining unincorporated areas and certain designated incorporated areas where applicable within the service area
7. "Gas Service" shall mean the furnishing, distribution and sale of natural gas whether consisting of natural and/or mixed for sale as a natural gas, for heating, domestic, industrial and other purposes and for transmitting gas into, through and beyond the jurisdictional boundaries of the County of Clinton to a Customer.
8. "Property of Company" shall mean all property owned, installed or used by the Company in the conduct of its Gas Service business in the County of Clinton, and adjoining unincorporated areas and certain designated incorporated areas where applicable within the service area under the authority of this Franchise.
9. "Public Way" shall mean the surface of, and space above and below, any public street, highway, freeway, bridge, land path, alley, court, boulevard, sidewalk, parkway, way, lane, drive, circle, or other public rights-of-way, including, but not limited to, public utility easements, dedicated utility strips or rights-of-way dedicated for compatible uses and any temporary or permanent fixtures or improvements located thereon now or hereafter held in fee simple title or any other lesser or conditional estate, grant or leasehold interest by the County of Clinton, and where authorized by the appropriate authority any adjoining unincorporated areas and certain designated incorporated areas where applicable within the service area, which shall entitle the Company to the use thereof for the purpose of installing, operating, repairing, and maintaining the Gas Service.
10. "Service Area" shall mean the present jurisdictional boundaries of the County of Clinton and adjoining areas, wherein Gas Service is presently being provided or in which the same may be provided, and shall include any additions thereto by intergovernmental agreement or other legal means.

SECTION 3. It is hereby granted by the County to the Company, its successors and assigns, the right, authority, privilege and franchise to erect, construct, operate and maintain a system of gas mains, service pipes, regulator stations and all other necessary and appropriate equipment and facilities for the transmission and distribution of gas in, upon,

across, along and under the highways, streets, avenues, roads, alleys, lanes, ways, utility easements, parkways and other public grounds in the present or future corporate limits of the County of Clinton and in the environs of said County, and to import, transport, sell and distribute gas, whether natural, manufactured, or mixed, within the County of Clinton and its environs, for the supplying and selling of the inhabitants, institutions, and businesses thereof; and for such purposes to construct, operate, maintain, renew, replace, repair, and extend all necessary gas mains, service pipes and other appliances, fixtures and facilities as may be necessary for said purposes, to-wit, the transmission, institutional uses, and such other purposes for which it is or may hereafter be used. The Franchise herein granted and accepted is only intended to convey a limited right and interest. It is not a warranty of title or interest in the County's rights-of-way or other public property. None of the rights granted herein shall affect the County's jurisdiction or authority over its property or Public Ways.

SECTION 4. This franchise and the rights herein granted shall take effect and be enforced from and after the effective date hereof, as required by law, and upon the filing of acceptance by the Company, and shall continue in force and effect for a term of twenty (20) years after the effective date.

SECTION 5. All gas mains, service pipes, fixtures, facilities and other appliances laid, constructed, maintained and operated by virtue of this franchise, shall be laid, constructed, maintained and operated in accordance with all applicable engineering practices and in full accord with any and all applicable engineering Codes adopted or approved by the natural gas distribution industry and/or engineering professions and in accordance with any applicable Statutes and Regulations of the Commonwealth of Kentucky and of the Federal Government and any and all of their respective Agencies, Ordinances of the County of Clinton, and the Rules and Regulations of the Kentucky Public Service Commission ("PSC") or of any other governmental regulatory commission, board or agency having jurisdiction over the Company and/or the County. Said facilities shall be so constructed so as not to interfere with the drainage of said County and any adjoining areas, or interfere with or injure any street, sewer or other public improvement which said County has heretofore made or may hereafter make in, upon, across, along or under any highway, street, avenue, road, alley, lane, way, utility easement, parkway or other public grounds, or unnecessarily obstruct or impede such highway, streets, avenues, roads, alleys, lanes, ways, utility easements, parkways or other public grounds of said County. The Company shall secure all necessary permits for any work within the Public Ways located within the Service Area and shall be subject to all applicable ordinances and fees.

SECTION 6. When the highways, street, avenues, roads, alleys, lanes, ways, utility easements, parkways or other public grounds are opened or any other opening is made by the Company within the County of Clinton, whether the same be made for the purpose of laying, constructing, replacing or repairing the mains, pipes and other appliances and fixtures of said Company, said Company shall place and maintain all necessary safety devices, barriers, lights and warnings to properly notify all persons of any dangers resulting from such entrances, and shall comply with all safety regulations required by the federal, state or local laws.

SECTION 7. In the event that at any time during the period of this franchise, the County shall lawfully elect to alter, or change the grade of any street, alley or other public ways in which the Company is required or is maintaining gas mains, pipes or other appliances and fixtures, the Company, upon reasonable written notice by the County, shall remove, or change or relocate its mains, pipes, or other appliances and fixtures as necessary to conform to the proposed alteration. However, the Company shall be reimbursed its relocation costs whenever such reimbursement is authorized by a Federal or State statute or county or municipal ordinance, for either urban renewal development or street relocation.

SECTION 8. When any highway, street, avenue, road, alley, lane, way, utility easement, parkway or other public ground is entered and/or altered by the Company, the Company shall, within a reasonable time, restore the same to its former condition as nearly as practicable in such a manner as to meet the approval of the County's Consulting Engineer, Codes Inspector, or other responsible agent, provided, however, that such approval shall not be unreasonably withheld or delayed. In the event the Company shall fail to restore said streets, avenues, roads, alleys, lanes, ways, utility easements, parkways, or other public grounds to their former state, as nearly as practicable, the County may itself, after giving the Company reasonable written notice, make restoration and charge the costs thereof to the Company.

SECTION 9. The Company shall, at all times, defend, indemnify and hold harmless the County from and against any and all claims for injury to any person or property by the reason of the failure of the Company or its employees to exercise due care and diligence in and about the installing and maintenance of said system, guarding trenches and excavations while said system is being installed or subsequent extensions, repairs or alterations are being made or generally in the operation and maintenance of said system, provided the Company shall have been notified in writing of any claim against the County on account thereof, and shall have been afforded the opportunity fully to defend the same. Likewise, the Company covenants and agrees to indemnify, defend and hold the County harmless from and against any and all claims, demands, causes of action, suits, losses,

liabilities, damages, costs and expenses, including attorney fees, sustained by the Company and caused, directly or indirectly, by any act or omission on the part of the Company, its agents, employees, assigns or anyone subcontracting with the Company in the installation, construction, operation, or maintenance of the Gas Distribution System. The County shall notify the Company, in writing, within ten (10) days after presentation of any claim or demand, either by suit or otherwise, made against the County caused by any of the aforesaid acts or omissions on the part of the Company. The Company shall thereupon have the duty to appear and defend and such demand, claim, suit or action on behalf of the Company, without cost or expense to the County.

The County covenants and agrees to indemnify, defend and hold harmless the Company from and against any and all claims, demands, causes of action, suits, losses, liabilities, damages, costs and expenses, including attorney fees, sustained by the Company and caused, directly or indirectly, by any act or omission on the part of the County, its agents, employees, assigns or anyone subcontracting with the County in the installation, construction, operation, or maintenance of the Public Ways. The Company shall notify, in writing, the County within ten (10) days after presentation of any claim or demand, either by suit or otherwise, made against the Company caused by any of the aforesaid acts or omissions on the part of the County. The County shall thereupon have the duty to appear and defend any such demand, claim, suit or action on behalf of the Company, without cost or expense to the Company.

The indemnity, insurance and bond requirements contained herein shall survive the termination of this Agreement and shall continue for as long as the Property of the Company shall remain in the Service Area or until the parties execute a new franchise agreement which modifies or terminates these indemnity and insurance requirements.

The Company shall comply with all applicable rules and regulations of the Kentucky Public Service Commission ("PSC") relating to Customer requests about service options and procedures, fees, start-up or termination of service, conversion of accounts and billing and payment inquiries in a prompt and reasonable fashion. The Company shall be required to obtain, at its expense, any further rights and privileges from any abutting landowners as necessary.

SECTION 10. The County and the Company hereby agree that this franchise shall, from time to time, be subject to Rules and Regulations adopted by the Company and approved by the PSC or any other regulatory body having jurisdiction thereof during the term of this franchise, and shall also be subject to all Rules and Regulations adopted and approved by the PSC itself; and that all such Rules and Regulations shall be and become part of this Ordinance to the same extent and with the same effect as if said Rules and

Regulations, were herein set forth in full. The Company shall not be obligated or required to make any extension of distribution mains, except in accordance with the provisions relating thereto adopted or approved by the PSC.

SECTION 11. Nothing contained herein shall be construed as preventing the Company from installing, placing, replacing, taking up, repairing or removing gas pipes, mains, service pipes or other devices for furnishing gas service, from using any easements for gas service which are shown on any plat or plats of any portion of the County heretofore or hereafter platted or recorded, or any easement which may hereafter be created, granted or dedicated for any such utility purposes by any person, firm or corporation whatsoever.

SECTION 12. No sale or transfer of the gas plant or system, or the transfer of any rights under this franchise shall be effective until the vendee, assignee or lessee has filed in the Office of the County Recorder an instrument, duly executed, reciting the fact of such sale, assignment or lease, accepting the terms of this franchise, and agreeing to perform all the conditions thereof.

SECTION 13. The County hereby agree as follows:

A. Phase I - For the franchise to extend the existing pipeline approximately one and one quarter (1¼) miles from the endpoint of the pipeline near the intersection of U.S. Route 127 ("US 127") and Kentucky Route 90 ("KY 90") eastward to the Clinton County Industrial Park and to construct an additional pipeline extension southward across KY 90 to the College from the pipeline running West to the Tyson Chicken Plant ("Phase I"), the Company shall pay to the County an initial franchise fee (in good funds of the United States) in the amount of THIRTY-THREE THOUSAND & 00/100 Dollars (\$33,000.00) from the franchise tax funds previously collected by the Company and commencing within sixty (60) days of the Effective Date of this agreement. The Company shall continue to collect the franchise taxes on behalf of the County and further pay to the County during the term of this agreement an amount equal to two percent (2%) (in good funds of the United States) of the annual gross operating revenues during the preceding quarter from the tariff of gas through the Company's distribution system within the County of Clinton as a further and additional franchise fee.¹

The County's tax rate is currently 5% pursuant to Section 15 of the Clinton County Kentucky Ordinance approved by the Fiscal Court on June 20, 1996. The Company

¹ The Kentucky Public Service Commission currently does not formally have a range for this fee; however, the Tennessee Regulatory Authority offers guidance of a fee range between 0.5% and 3.5% for franchise agreements.

proposes that the rate be lowered to 4% and believes that this overall decrease is in the best interests of the county rate payers.

B. Phase II - For the franchise to construct approximately twelve (12) miles of new pipeline from the Tyson Chicken Plant, located at 2294 KY Highway 90 W, westward to Burkesville, KY ("Phase II"), the Company shall pay to the County an initial franchise fee (in good funds of the United States) in the amount of THIRTY-THREE THOUSAND & 00/100 Dollars (\$33,000.00) from the franchise tax funds previously collected by the Company and commencing within sixty (60) days of completion of Phase I. At anticipated levels of funding, construction can proceed at approximately 1 to 2 miles per year for the twelve (12) mile distance. The Company shall continue to collect the franchise taxes on behalf of the County and further pay to the County during the term of this franchise an amount equal to two percent (2%) (in good funds of the United States) of the annual gross operating revenues during the preceding quarter from the tariff of gas through the Company's distribution system within the County of Clinton as a further and additional franchise fee.

C. Phase III – Subsequent to the Company securing additional natural gas supply, for the franchise to construct new pipeline throughout the County of Clinton to its constituents ("Phase III"), the Company shall pay to the County an initial franchise fee (in good funds of the United States) in the amount of THIRTY-THREE THOUSAND & 00/100 Dollars (\$33,000.00) from the franchise tax funds previously collected by the Company and commencing within sixty (60) days of the completion of Phase II. The Company shall continue to collect the franchise taxes on behalf of the County and further pay to the County during the term of this franchise an amount equal to two percent (2%) (in good funds of the United States) of the annual gross operating revenues during the preceding quarter from the tariff of gas through the Company's distribution system within the County of Clinton as a further and additional franchise fee.

Said franchise fees shall become due and payable by the Company quarterly so long as the Company shall supply and sell natural gas to the public within said County, or so long as this franchise is in effect. The aforementioned franchise fees and gross receipts taxes provided by this Ordinance shall be treated and recovered in conformity with any applicable and lawful statute and regulation. The County shall have access at all reasonable times to the appropriate books of the Company for the purpose of ascertaining the amount due to the Franchisor under the Section.

SECTION 14. The Company agrees that the County, upon thirty (30) days prior written notice to the Company, may review such of its books and records as is necessary to ensure compliance with the terms of this Agreement. Notwithstanding anything to the

contrary set forth herein, the Company shall not be required to disclose information that contains trade secrets or is proprietary or confidential in nature, nor disclose books and records of any affiliate not obligated under this Franchise. Upon request by the County, the Company shall furnish the County with a complete set of maps, including any plans, surveys, profiles or schematics if any of the Gas Distribution System added to the said system after the date of this agreement.

SECTION 15. The Company shall notify the County in writing within five (5) days of any applications, filings, requests, hearings, certificates, permits, inspections, corrective or disciplinary actions, or any other significant proceeding or administrative action under the review of or to be considered by the PSC pertaining to this franchise or the Company's obligations and ability to perform under this Agreement.

SECTION 16. The County shall be provided reasonable access to the Property of the Company to ensure the health, welfare and safety of the public and to coordinate the co-location of public facilities within the Public Ways. Should the federal Office of Pipeline Safety or the PSC substantially diminish their oversight or reduce their staff during the term of this Agreement, then the parties agree to expeditiously negotiate new franchise provisions that will provide the County with increased access to information, and reports such as would be routinely submitted to the federal or state agencies.

SECTION 18. Nothing in this Agreement shall be deemed to impose any duty or obligation upon the County to determine the adequacy, safety or sufficiency of the Company's plans, designs, or facilities, or to ascertain whether the Company's proposed or actual construction, testing, maintenance, repairs, replacements or infrastructure installation or removal is adequate, sufficient or otherwise is in conformance with any plans or specifications whether or not such is reviewed or delivered to the County.

SECTION 19. The Company shall notify the County in writing within ten (10) days of any applications, filings, requests, hearings, certificates, permits, inspections, corrective or disciplinary actions, or any other significant proceeding or administrative action under the review of or to be considered by the PSC pertaining to this franchise or the Company's obligations and ability to perform under this Agreement.

SECTION 20. INSURANCE AND INDEMNIFICATION:

Insurance Requirements. The Company agrees to maintain, on a primary basis and at its sole expense, at all times during the life of this Agreement the following insurance coverages, limits, including endorsements described herein. The requirements contained herein, as well as the County's review or acceptance of insurance maintained by the Company, is not intended to and shall not in any manner limit or qualify the liabilities or

obligations assumed by the Company under this Agreement.

Commercial General Liability. The Company agrees to maintain Commercial General Liability at a limit of liability not less than \$1,000,000 for each occurrence and \$2,000,000 aggregate. The Company further agrees coverage shall not contain any endorsement(s) excluding or limiting Product/Completed Operations, Contractual Liability or Cross Liability.

Commercial Umbrella Excess Liability. The Company agrees to maintain Commercial Umbrella Excess Liability with concurrent policy dates to coverage afforded by the underlying Commercial General Liability.

Worker's Compensation Insurance & Employers Liability. The Company agrees to maintain Worker's Compensation Insurance in compliance with Kentucky law.

Waiver of Subrogation. The Company agrees by entering into this Agreement to a Waiver of Subrogation for each required policy herein. When required by the insurer, or should a policy condition not permit the Company to enter into an pre-loss agreement to waive subrogation without an endorsement, then the Company agrees to notify the insurer and request the policy be endorsed with a Waiver of transfer of Rights of Recovery Against Others, or its equivalent. This Waiver of Subrogation requirement shall not apply to any policy, which includes a condition specifically prohibiting such an endorsement, or voids coverage should Company enter into such an agreement on a pre-loss basis.

SECTION 21. If any section or portion of this Franchise Agreement shall hereafter be declared or determined by a court of competent jurisdiction to be invalid, the Company at its election (to be given to the Franchisor by notice in writing within thirty (30) days after any such declaration or determination) may ratify or confirm the remaining portions of this Agreement and upon such ratifications or confirmation the remaining portions of this Agreement shall remain in full force and effect.

SECTION 22. The Company shall, within thirty (30) days after the passage of this Ordinance, file in writing with the County Recorder of the County of Clinton its unconditional acceptance of the terms and conditions of this Ordinance signed by its President, and, after the filing of such acceptance, this ordinance shall constitute a contract between the parties hereto and shall (subject to the rights and powers vested in and Orders lawfully issued by the PSC or such other regulatory body of the Commonwealth of Kentucky as may hereafter succeed to the rights and powers of the PSC) be the measure of the rights, powers, obligations, privileges and liabilities of the County, and of the Company.

SECTION 23. All the privileges given and obligations created by this Agreement shall be binding upon the successors and assigns of the Company, including those nonconflicting provisions which are now or may hereafter be attached herewith as addendums.

SECTION 24. This Agreement is subject to the approval of the PSC. This Agreement shall upon such approval take effect immediately, the public welfare so requiring it.

SECTION 25. In the event the County by agreement or by any other action should acquire regulatory authority and control over the Public Ways or other real property held in fee simple title or any other lesser or conditional estate, grant or leasehold interest by another local government, the Company shall have the non-exclusive authority and privilege to engage in Gas Services in the acquired territory for the remainder of this Agreement unless stated otherwise in the municipality's local law or an applicable intergovernmental agreement.

SECTION 26. DEFAULT AND REMEDIES:

26.1 Termination for Cause. Either party may terminate this Agreement for cause if the other party fails or defaults on any material duties or responsibilities set forth in this Agreement and refuses or is unable to cure such default within a reasonable time.

26.2 Enforcement. Subject to applicable federal and State law, in the event any party is in default of any provision of the Agreement, the other party or parties may either (1) seek specific performance of any provision that reasonably lends itself to such remedy as an alternative to money damages; (2) commence an action at law for monetary damages; or (3) seek other equitable relief. In the case of a substantial default of a material provision of this Agreement or the Franchise, the Franchisor may seek to terminate this Agreement and revoke the Franchise in accordance with Section 26.3 of this Agreement.

26.3 Revocation.

A. Should the County seek to revoke the Franchise after complying with the procedures set forth in Section 26 of this Agreement, the Franchisor shall give written notice to the Company of its intent to terminate this Agreement and to revoke the Franchise ("Notice of Intent to Revoke") based on a substantial default of a material provision of this Agreement or the Franchise. The Notice of Intent to Revoke shall contain the following:

A description of the specific nature of the default(s);

A statement of intent to revoke the Franchise;

A statement that a public hearing shall be held to consider the grounds for the termination of this Agreement and the revocation of the Franchise; and

The date, time and place of the hearing.

B. The public hearing described herein shall be scheduled between ninety (90) days and one hundred twenty (120) days from the date of the Company's receipt of the Notice of Intent to Revoke. The Company shall have ninety (90) days of receipt of such notice to object in writing and to state its reasons for such objection.

C. At the designated hearing, the County shall give the Company a full and fair opportunity to state its position on the matter, including without limitation the right to introduce evidence, to require the production of evidence, to question witnesses and to obtain a transcript of the proceeding, after which the County shall determine whether this Agreement shall be terminated and the Franchise revoked. The Company shall have a right to judicial review of the decision before the appropriate court of the Commonwealth of Kentucky which jurisdiction and venue shall be deemed mandatory.

SECTION 27. MISCELLANEOUS PROVISIONS: Unless specifically set forth herein elsewhere to the contrary, the parties hereto agree as follows, to-wit:

27.1. Paragraph Headings. The headings in this Agreement are inserted for convenience and identification only and are in no way intended to describe, interpret, define or limit the scope, extent or intent of this Agreement or any of the provisions of the Agreement.

27.2. Provisions Severable. Every provision of this Agreement is intended to be severable. If any term of provision hereof is illegal or invalid for any reason whatsoever, such illegality or invalidity shall not affect the validity of the remainder of this Agreement.

27.3. Rights and Remedies are Cumulative. The rights and remedies provided by this Agreement are cumulative and the use of anyone right or remedy by any party shall not preclude nor waive its rights to use any or all other remedies. Any rights provided to the parties under this Agreement are given in addition to any other rights the

parties may have by law, statute, ordinance or otherwise.

27.4. Successors and Assigns. This Agreement and the terms and provisions hereof shall inure to the benefit of and be binding upon the heirs, personal representatives, successors and assigns of the parties hereto.

27.5. Entire Agreement. This Agreement contains the entire agreement between the parties respecting the matters herein set forth and supersedes all prior agreements between the parties hereto respecting such matters.

27.6. Governing Law. This Agreement shall be construed in accordance with the laws of the Commonwealth of Kentucky.

27.7. Preparation of Agreement. No presumption shall exist in favor of or against any party to this Agreement as a result of the drafting and preparation of this document.

27.8. No Waiver. No waiver of any breach by any party of the terms of this Agreement shall be deemed a waiver of any subsequent breach of the Agreement.

27.9. Counterparts. This Agreement shall be executed simultaneously in one or more counterparts, each of which shall be deemed as original, but all of which together shall constitute one and the same instrument.

27.10. Amendment. No amendment of this Agreement shall be effective unless the amendment is in writing, signed by each of the parties and duly passed and enacted and approved by the necessary regulatory authority. No party may unilaterally alter the material rights nor obligations set forth in this Agreement.

27.11. Savings Clause. If any of the provisions of this Agreement shall be held to be unenforceable or unconstitutional, the remaining provisions shall nevertheless be enforceable.

27.12. Notices. All notices and demands of any kind which any party hereto may be required or desires to serve upon the other parties under the terms of this Agreement shall be in writing and shall be served upon such other parties by personal service, or by leaving a copy of such notice or demand at the address hereinafter set forth, whereupon service shall be deemed complete, or by mailing a copy thereof by certified or registered mail, postage prepaid, with return receipt request, addressed as follows:

If to the County of Clinton:

COUNTY OF CLINTON, KENTUCKY
c/o County Building
100 South Cross Street
Albany, Kentucky 42602

If to Company:

Navitas KY NG, LLC
Attn: Thomas Hartline
3186-D Airway Avenue
Costa Mesa, California 92626

In case of service by mail, it shall be deemed complete on the day of actual delivery as shown on the addressee's registry of certification receipt or at the expiration of the third day after the date of mailing, whichever first occurs. The addressee to which notices and demands shall be delivered or sent may be changed from time to time by notice served as hereinabove provided by any party upon the other parties.

27.13. Assignment, Receivership and Foreclosure. The parties agree that this Agreement shall not be assigned, in whole or in part, to any other person or entity without the prior written consent of the County, which consent cannot be unreasonably withheld or delayed. The Company shall immediately notify the County if it files a petition in bankruptcy, files an answer admitting jurisdiction of a court filed pursuant to the Bankruptcy Code or is adjudicated bankrupt, makes an assignment for the benefit of creditors, or applies or consents to the appointment of any receiver or trustee of all or part of its property, pipelines or facilities within the Service Area. Upon foreclosure or judicial sale of any portion for the Company's business operations or facilities within the Service Area, the Company shall give the County prompt notice of such fact and the County may revoke the Franchise in accordance with the procedures described in Section 26 or other applicable provision hereof elsewhere in this Agreement. In the event the Company intends to sell the Gas Distribution System to a third-party purchaser, the Company shall confirm in writing that the purchaser agrees to all of the terms and conditions of this Agreement, and that the purchaser shall assume all liabilities and obligations of the Company under this Agreement.

27.14. Force Majeure. The parties shall not be liable for failure to perform hereunder, in whole or in part, due to contingencies beyond the party's reasonable control, including but not necessarily limited to acts of God, the public enemy, fire, floods,

epidemics, earthquakes, quarantine restrictions, and strikes not created by the Company, the City, or the County, whether now existing or hereafter created.

27.15. Compliance with Laws. The parties shall comply with all applicable federal, state and local statutes, laws, rules, regulations and ordinances.

27.16. Publication Costs. Notwithstanding the limits stated in SECTION 16 above, the Company shall assume all costs of publication required by law for the grant of the Franchise.

27.17. Agreement Not to Compete, Power of Eminent Domain and Other Powers. Notwithstanding that this Franchise is non-exclusive, in consideration of the Company's undertaking hereunder, the County agree not to engage in the business of distributing and selling natural gas during the term of this Franchise in competition with the Company. Nothing herein contained, however, shall be construed or deemed to prevent the Franchisor from exercising at any time any power of eminent domain, any police powers or any other power(s) granted to it under the laws of the Commonwealth.

27.18. Changes, Alterations and Amendments. In the event of an amendment to the laws, rules or regulations of the State and/or the PSC applicable to this Agreement and the Franchise, the terms of this Agreement and the Franchise and the right and privileges thereby conferred and reserved, may be changed, altered, amended or modified upon mutual agreement between the County and the Company, which agreement shall not be unreasonably withheld or delayed.

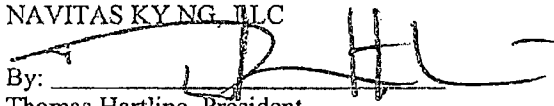
This 21 day of June, 2019.



JUDGE EXECUTIVE, COUNTY OF CLINTON, KENTUCKY

By authority of Ordinance 1996-GAS-I enacted June 21, 2019

NAVITAS KY NG, LLC

By: 

Thomas Hartline, President

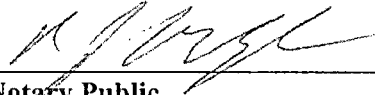
ACKNOWLEDGEMENT

STATE OF CALIFORNIA)
) ss:
COUNTY OF ORANGE)

On June 21, 2019 before me, Ross Joseph Modglin, Notary Public, personally appeared Thomas Eben Hartline, who proved to me on the basis of satisfactory evidence to be the person whose name is subscribed to the within instrument and acknowledged to me that he executed the same in his authorized capacity, and that by his signature on the instrument the person, or the entity upon behalf of which the person acted, executed the instrument.

I certify under PENALTY OF PERJURY under the laws of the State of California that the foregoing paragraph is true and correct.

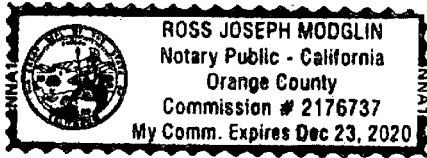
WITNESS my hand and official seal the day and year last above written.



Notary Public

(SEAL)

My Commission Expires:



Clinton County News



116 N. Washington St. • P.O. Box 360 • Albany, KY, 42602 • 606-387-5144 • gpcompany@kih.net

Natural gas system franchise up for renewal, bids will be sought

Posted June 5, 2019 at 12:24 pm

Clinton Fiscal Court has voted to accept sealed bids for a natural gas system franchise. The action was taken during a special meeting of the court last Friday afternoon, May 31 with all members present.

Clinton County Judge/Executive Ricky Craig explained that Navitas Gas Company out of Tennessee, which currently holds the franchise for both the county and city, is seeking a renewal extension of 20 years.

Assistant County Attorney Gary Little advised that if the franchise involved an amount of \$10,000 or more, the county should advertise for bids on the franchise.

The court, on a motion by Magistrate Jerry Lowhorn, voted unanimously to “accept sealed bids for the establishment of one or more non-exclusive (natural gas) franchises” in the county.

A copy of the sealed bid proposal can be found on the legal page in this week’s Clinton County News.

In other business last Friday, the court:

- * Approved first reading of a 2018-19 fiscal year budget amendment adding unanticipated revenues. The amendment will be sent to the Department of Local Government (DLG) for approval with second reading to be held this month.
- * On a motion by Magistrate Terry Buster, voted to pay election officers for work during the past May primary election.
- * On a motion by Lowhorn, approved an Executive Order hiring Ronnie Moreland as custodian at the Community Center at a rate of \$8.50 per hour, up to \$9 per hour after the 90-day trial period.
- * Following a brief presentation by Emergency Management Director Lonnie Scott, the court, on a motion by Magistrate Mickey Riddle, voted to approve a resolution to apply for a Homeland Security grant, at 100 percent funding from the DHS, that, if approved, would go toward the purchase of EMS equipment.

The next regular meeting of Clinton County Fiscal Court is scheduled for Thursday, June 20 at 5 p.m. in the upstairs courtroom of the courthouse and is open to the general public.

Popular stories

Body of Dale Hollow Lake drowning

Posted July 3, 2012, 2:03 pm

2011 – The Year In Review

Posted January 5, 2012, 2:35 pm

Ex. B